

TO: TOWN OF ACTON
BOARD OF SELECTMEN

FROM: JACK MENDOSA OWNER/GENERAL MANAGER
SCUPPERJACK'S RESTAURANT

RE: 2010 LIQUOR LICENSE RENEWAL
DATE: JANUARY 5, 2010

1/11/10
(8)

The purpose of this memorandum is to ask the Board to consider my request to spread the \$5000.00 renewal fee for our 2010 liquor license over 5 months. Equal payments of \$1000.00 would be made on the 5th of each month through May 2010. We have made a good faith payment of \$1100.00 today, which also covered the Common Victualers fee for 2010. We also have paid an additional \$545.00 to the Acton Board of Health for their 2010 renewals.

The reasons for this request are upsetting to me as an individual and as a respected business owner in the community but the times we now operate in have changed quite a bit over the past few years. Two major issues I face have led to this request---

1) Over the past 5 years our sales decline is at 20.8% at the end of 2009. Certainly the down economy is a factor and at the same time I realize my business isn't the only one facing these same issues. More competition in our market in the past 5 years has also contributed to the fall off. The restaurant industry in general has had a very rough time in the past few years as the general public faces major decisions on spending any discretionary income they may have. Our industry has been very hard hit and I am no exception. Couponing and other promotions continue but the results have not been as successful as we hoped for.

2) Our overall occupancy costs at Scupperjack's are extremely high. This occupancy cost, much of what is fixed, only worsens as our sales decline. Over the past 6 months negotiations have been attempted with our landlords to assist us in the rent structure of our lease. The stark reality is that we had actually made a decision to close our restaurant effective January 5th but a last minute proposal received at 8:00pm on January 4th allows us to continue our operation and keep 50 full and part time staff members employed. Due to the uncertainty in our ability to continue operations we needed to stop selling gift certificates to the public in December. The resultant loss of \$25 to \$30,000 in sales has greatly reduced cash flow entering 2010. Not to mention the negative impact it had on the hundreds of people coming to the restaurant or calling seeking to purchase certificates this holiday season. Despite this negative impact it was the right and only decision I could make in the public's best interest.

Our ability to reach a mutually satisfying agreement with our landlord combined with efforts we need to make in our operations marketing and cost controls will enable us to complete our lease obligations through April 2012 and with options available to us at least another 5 years beyond that. That is our goal and we welcome the challenge.

In closing I assume the Town of Acton has some of the same budgetary restrictions and cash flow issues that I face but on a much grander scale. Having operated Scupperjack's the past 18 years I have gotten to know many people in the town government and appreciate all they do to make this community the strong and inviting a place to live and work in that it in fact is.

I am hopeful of a positive response to my request and I fully respect the responsibility you have to make the proper decision on behalf of the well being of the town's needs as well.

Thank you so much for your consideration of this request and I look forward to your response.

I am certainly available to answer any other questions/concerns you may have about this request but I prefer not to do this in a public forum that would only arouse more negativity about our future in the community.

Sincerely,



Jack Mendosa

